

**AB 1 (Laird/Dymally)**  
**SB 32 (Steinberg)**  
**Summary**

**Coverage Expansions**

- The bills expand eligibility for Medi-Cal and the Healthy Families Program to cover children in families with household income up to 300% FPL from the current limit of 250% FPL. The expansion is dependent on funding in a future bill. The family contribution amount for children in households with income greater than 250% up to 300% FPL would be established at \$22.50 per child per month with a maximum of \$67.50 per family per month, with appropriately less amounts for enrollment in the Community Provider Plan (CPP).
- The bills establish eligibility for all children, regardless of citizenship in Medi-Cal or HFP, depending on family income, assuming other eligibility requirements are satisfied, such as state residence, no employer-sponsored or other health coverage in the prior 6 months, etc.
- The bills require the MRMIB, in consultation with the Department of Health Care Services (DHCS), to develop respective processes to transition eligible children from locally-run children's health initiatives (CHIs) into Medi-Cal or HFP. At their annual eligibility redetermination, children enrolled in CHIs would be automatically enrolled in Medi-Cal or HFP, if an application was made for either program. The child would be enrolled in the same health plan in Medi-Cal or HFP in which they had been enrolled under the CHI if the plan participates in Medi-Cal or HFP. Upon enrollment, the Medi-Cal or HFP would notify the child's family that it may change plans at any time within 90 days from receipt of the notice.
- The bills create the Healthy Families Buy-In Program to be administered by the MRMIB. This program would allow qualified families to "buy in" for coverage through the Healthy Families Program by paying the MRMIB the full cost of coverage. The bill, however, also states that families in the Buy-In Program can receive the same discounts as those in the existing HFP. Children would be allowed into the Buy-In Program if they are not eligible for no-cost Medi-Cal or the HFP, are in households with income above 300% FPL and have been without coverage for a minimum of 6 consecutive months immediately preceding the date of their application.

### **Bright Line**

- The bills establish the “bright-line” between Medi-Cal and the HFP at 133% FPL. Children above 133% FPL would be eligible for the HFP and children up to 133% FPL would be eligible for Medi-Cal. This would result in approximately 98,000 children moving from the HFP into Medi-Cal.

### **Application and Enrollment Process**

- The bills would require Medi-Cal and HFP to accept the applicant’s signature on an application as verification of income to establish initial eligibility.
- The bills would require the DHCS, in coordination with the MRMIB, counties, consumer advocates, and other stakeholders, to make technological improvements to existing eligibility determination and enrollment systems for the Medi-Cal and HFP. This would include the Medi-Cal Eligibility Data System (MEDS) as well as systems used by the HFP. The bills establish guidelines and objectives for improvements including:
  - ❖ Promoting accessible enrollment opportunities through public service programs widely used by families, including schools and other public access points;
  - ❖ Minimizing duplicate applications and identifying whether a child is currently enrolled in Medi-Cal, HFP or other coverage before processing a new application;
  - ❖ Supporting use of electronic and digital signatures to reduce the burden of the applicant appearing in person;
  - ❖ Establishing the ability to obtain birth and other state maintained verification documents electronically;
  - ❖ Expanding access to and improving MEDS search and file clearance functionality;
  - ❖ Supporting electronic exchange of information with the Statewide Automated Welfare System (SAWS);
  - ❖ Providing guaranteed privacy protections and secure information exchange;
  - ❖ Establishing reusable service-based interfaces to allow multiple existing enrollment systems to exchange data electronically, and;
  - ❖ Supporting electronic submission of verification documents that are also available for exchange and reuse by multiple existing enrollment systems.
- AB 1 and SB 32 would require the HFP to conduct a full Medicaid determination and a determination for eligibility into other programs. Several sections of the bills amend the Insurance and Welfare and Institutions codes with provisions that Medi-Cal and HFP are not excused from the obligation of screening applicants for all public programs and determining Medi-Cal eligibility on all other available grounds.

### **Presumptive Eligibility Programs**

The bills revise the name of two presumptive eligibility programs established (but not yet implemented) by SB 437 and create two new presumptive eligibility programs. The chart below summarizes these changes.

	<b>Initial Determination (Medi-Cal/HFP Applications received directly at county)</b>	<b>Annual Eligibility Redetermination</b>	<b>Implementation Date</b>
<b>Current Programs</b>	<p>“Medi-Cal to Healthy Families Accelerated Enrollment Process” (authorized by previous legislation but not implemented to date). This process of accelerated enrollment would provide temporary health benefits to a child whose household income, based on the initial screening done by the county, appears to meet the income requirements of the HFP. (Did not require the submission of the application to the HFP be done using an electronic format).</p>	<p>“Medi-Cal-to-Healthy Families Bridge Benefits Program.” This bridge program provides one month of additional no-cost Medi-Cal benefits to children who are already enrolled in no-cost Medi-Cal but are determined at annual redetermination to have household income too high for Medi-Cal and are thought to be eligible for the HFP.</p> <p>“Healthy Families-to-Medi-Cal Bridge Program.” This bridge program extends HFP coverage for two months to children already enrolled in the HFP but are determined at annual eligibility redetermination, to have household income too low for the HFP and are thought to be eligible for no-cost Medi-Cal.</p>	N/A
<b>Programs Created by SB 437</b>	<p>(1) Established the “Medi-Cal to Healthy Families Presumptive Eligibility Program” which, upon implementation, would replace the “Medi-Cal to Healthy Families Accelerated Enrollment Process”. Under the new PE program, the county will establish PE for HFP, the county will complete the Medi-Cal eligibility</p>	<p>(2) Established “Healthy Families Presumptive Eligibility Program” to replace existing “Medi-Cal-to-HFP Bridge Benefits Program” The new PE program is to be administered by the MRMIB and would</p>	<p>(1) When the state has obtained approval of any necessary amendments to the state plan and has obtained funding under Title XXI for these benefits or by 8/1/07, whichever is later.</p>

	determination, and if the child is determined ineligible for no-cost Medi-Cal, will forward the application to the HFP. The bill requires that the submission of the application to the HFP be done using an electronic format. (This PE program will sunset 3 years after the date the DHCS director declares it to be implemented).	provide children with PE benefits through fee-for-service Medi-Cal until a final HFP determination is made. (The bill requires that the submission of the application to the HFP be done using an electronic format.)	(2) When the state has obtained approval of any necessary amendments to the state plan and has obtained funding under Title XXI for these benefits
<b>New Name Proposed by AB 1</b>	“Healthy Families Presumptive Eligibility Program”	“Medi-Cal to Healthy Families Presumptive Eligibility Program”	January 1 <sup>st</sup> following the signing of the bill
<b>New Programs Proposed by AB 1/SB 32</b>	Establishes the “Medi-Cal Presumptive Eligibility Program” which is administered by DHCS. Under this new PE program, a county must complete an initial screen of a MC/HFP application within 48 hours of submission of the application. If the child’s income appears to be within the income guidelines for no-cost Medi-Cal, the county will immediately establish PE through fee-for-service Medi-Cal for the child. The PE benefits will continue while the county makes a final eligibility determination.	Establishes the “Healthy Families to Medi-Cal Presumptive Eligibility Program” which would replace the Healthy Families-to-Medi-Cal Bridge Benefits Program. The new PE program will be administered by MRMIB. Under this program the child will no longer receive two additional months of HFP coverage, but instead will be disenrolled from the HFP and enrolled in PE through fee-for-service Medi-Cal until a final Medi-Cal determination has been made. No family contribution is required for a child receiving PE benefits under this new PE program. <i>Note: The Governor’s May revise also proposes to replace the bridge program with presumptive eligibility as of July 1, 2007.</i>	January 1st following the signing of the bill

**Other Presumptive Eligibility Provisions**

- The bill would also allow HFP and Medi-Cal to exchange a child's case file solely for the purpose of determining the child's eligibility for Medi-Cal or HFP, without requiring the family's consent, to the extent allowed by law. No family contribution is required for a child receiving benefits under this program. In the May 2007 revised budget proposed by Governor Schwarzenegger, the Administration proposes replacing the existing HFP to Medi-Cal bridge program with a presumptive eligibility program, effective July 1, 2007.
- The MRMIB and the DHCS would be responsible for monitoring the presumptive eligibility programs that occur at annual eligibility redetermination to track how long children remain in the presumptive eligibility program before being enrolled in ongoing coverage. The monitoring activities include:
  - ❖ The MRMIB and DHCS are required to collect and make publicly available on their respective Internet Web sites, on a monthly and annual basis:
    - ✓ The number of children enrolled in each of the above noted PE programs;
    - ✓ The length of time the children are enrolled in each program, and;
    - ✓ The status of the children enrolled in each program, including a status report for each child enrolled more than one month in the Medi-Cal to Healthy Families Presumptive Eligibility Program and more than two months in the Healthy Families to Medi-Cal Presumptive Eligibility Program.
  - ❖ The MRMIB and the DHCS are required to record all attempts to assist a child to enroll in ongoing health benefits programs and for recording the final disposition of the child's application for continuing health coverage
    - ✓ MRMIB is also specifically tasked with reporting to DHCS those cases where children have been enrolled in the Healthy Families to Medi-Cal Presumptive Eligibility Program (children who were enrolled in HFP but determined at AER to be income too low for HFP) for more than two months, and to contact the child's county of residence to determine the status of the child's application for enrollment in the Medi-Cal Program.

### **MRMIB Comments**

MRMIB would like to work with the authors and sponsors regarding some technical issues with the bill language and clarifying which sections of codes, Insurance vs. Welfare and Institution, amendments and additions should be added. In addition, the MRMIB has the following concerns:

## **Coverage and Expansion**

- **Healthy Families Buy-In Program**

The Healthy Families Buy-In Program would likely result in the creation of its own risk pool. Parents must pay full cost of the coverage, which would include paying plan carve out services and administrative costs. It is very likely parents would be able to obtain cheaper coverage in the individual market for healthy children.

The bills seek to mitigate the risk by specifying a child must have been without any health care coverage for a minimum of six consecutive months to be eligible for the buy-in program. The HFP has a similar eligibility requirement now. It requires that children must not have been enrolled in employer sponsored insurance for at least 3 consecutive months prior to enrolling in the HFP. Confirming a lack of coverage can be challenging and it is not clear how much of the adverse risk would be mitigated by this requirement as a condition of eligibility.

The bills propose that benefits provided be identical to health plan coverage for children in the HFP. However, it is not clear that those children would be eligible for the CCS carve out.

Both bills specify that families who buy-into coverage for a child pay the full cost of coverage. This would include costs for CCS, SED and administration. However, the bills also propose that a family of a child enrolled in the program should receive the same discounts from their contributions as provided to HFP families. The bill does not address who would pay for these discounts/buy-in subsidies.

Lastly, it is not clear in the bills whether dental and vision benefits are to be included in that offered in the buy-in program.

- **Children's Health Initiatives (CHI) Transition**

The bills require new applications from a child covered under a CHI to be completed before enrolling the child into HFP. As planning begins to implement the creation of a state program, staff may find that it is not necessary for a new application to be completed for each of these children. It seems prudent to leave this level of detail to regulations.

The bills propose that the transition of children from the CHIs to Medi-Cal or HFP occur at the time of annual eligibility redetermination. While MRMIB staff and CHIs have not yet had the opportunity to discuss transitioning children from

CHIs into HFP with the advocates, staff note that transitioning children continuously over a 12-month period would require the creation of new processes and infrastructures and modification of the existing systems in order to pay the CHIs (monitor premium payments, etc). In addition, the CHI annual eligibility redetermination dates are not the same as HFP dates. There could be a child enrolled in HFP with a sibling enrolled through a CHI and they could have different redetermination dates. Staff's view is that enrollment of children should happen over a 30 to 60-day period of time, instead of under a year-long process.

### **The "Bright Line"**

The "bright-line" between Medi-Cal and HFP proposed in the bills at 133% FPL differs from the Governor's health care reform proposal, which is at 100% FPL.

### **Application and Enrollment Process**

- **Self Certification of Income**

The bills require MRMIB and DHCS to accept the signature on the application as verification of the family's income. The state is required to verify income against IEVS and obtain written documentation when data conflict. The bills thus appear to prohibit the state from complying with federal requirements.

Both the MRMIB and the DHCS are in the process of implementing self-certification projects authorized by SB 437. SB 437 authorizes the HFP to accept self-certification of income at annual eligibility redetermination for all HFP children. Thus, prior to accepting self-certification, MRMIB will have seen income documentation. SB 437 also authorizes the MRMIB to terminate the self-certification at annual eligibility redetermination 90 days after notifying the Chair of the Joint Legislative Budget Committee, and articulating in the notice, the relevant reasons for the termination.

SB 437 authorizes Medi-Cal to implement a two-year pilot project for self-certification of income at initial application in two counties. The DHCS has chosen to implement the pilot project in Orange and Santa Clara counties and the target date for implementation is the beginning of summer 2007. The DHCS has contracted with UCSF to evaluate the project over two years and if the project achieves the goals of expanding enrollment while maintaining fiscal integrity of the program, DHCS can expand self-certification of income statewide.

SB 437 does not preclude the DHCS or the MRMIB from verifying income through IEVS or seeking back-up documentation.

- **Full Medicaid Eligibility Determination**

The bills prohibit HFP and Medi-Cal from placing a child into ongoing coverage without making a full Medicaid eligibility determination. Presently, the Single Point of Entry (SPE) does not determine eligibility for all possible Medi-Cal

programs prior to enrolling a child in the HFP. Staff believe that what is needed is a truly universal system for this process.

It is not clear what value such a requirement adds, particularly for children in the percentage programs, given that a child will receive ongoing coverage. The requirement would substantially complicate the enrollment process, resulting in major new costs and delays in enrolling children in a medical home.

### **Presumptive Eligibility Programs**

- **Monitoring and Tracking Children in Presumptive Eligibility Programs**  
Both bills require the MRMIB and the DHCS to monitor the two presumptive eligibility programs occurring at annual eligibility redetermination. The MRMIB is also required to essentially prod the DHCS and the counties about the cases of children who remain in presumptive eligibility rather than becoming enrolled in ongoing coverage.

If a Medicaid worker was outstationed at SPE to make final eligibility determinations, children would get into ongoing coverage more quickly.

The MRMIB has no jurisdiction over DHCS-administered programs. It is not clear what value MRMIB would add given that it has no authority or ability to move the children into ongoing coverage. However, MRMIB would like to work jointly with DHCS, consumer advocates and other stakeholders in developing systems to track and monitor children in the Medi-Cal to HFP presumptive eligibility program and believes that it is appropriate that it monitor this program.

The bills require MRMIB to record all attempts made to assist in getting children covered. It is unclear what amount of work would be necessary to meet this requirement.

The bills require both MRMIB and DHCS to collect and report the same specified information on a monthly and annual basis. The value of having two departments doing duplicative work and the frequency of the required reporting is not clear. In addition, the tracking and monitoring provisions required by the bills would likely result in major costs.

MRMIB staff would also like clarification from the authors in regards to the intent to maximize federal matching funds as noted throughout the bills.

### **Confidentiality/Privacy Provisions**

The HFP has its own confidentiality and privacy provisions and it seems only appropriate to add the confidentiality and privacy provisions of Medicaid to those children who are moved from the HFP to a Medicaid presumptive eligibility program.

### **Using Technology to Improve Enrollment**



The bills would require the DHCS, in coordination with the MRMIB, counties, consumer advocates, and other stakeholders to make several technological improvements to existing eligibility determination and enrollment systems (i.e. MEDS) to better integrate the enrollment processes for Medi-Cal and the HFP. The MRMIB agrees with this goal, but the provisions for technological improvements in the bills are ambitious and would require an extensive amount of work, would be extremely costly and some may not be feasible.